

EXHIBIT D

LFG Press Release, *Luna Foundation Guard (LFG) Raises \$1 Billion for a Bitcoin-Denominated Forex Reserve for Terra's UST Stablecoin*, February 22, 2022.

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Luna Foundation Guard (LFG) Raises \$1 Billion for a Bitcoin-Denominated Forex Reserve for Terra's UST Stablecoin

LFG has announced that it has closed a \$1 billion OTC token sale for a Forex Reserve for Terra's UST stablecoin, led by Jump Crypto and Three Arrows Capital (3AC).

SINGAPORE ([PRWEB](#)) February 22, 2022 -- [The Luna Foundation Guard](#) (LFG), a recently formed non-profit organization to support decentralization, economic sovereignty, and to foster the growth of the Terra ecosystem, has unveiled the closing of a \$1B private token sale, one of the cryptocurrency industry's largest sales to-date, for use in establishing a UST Forex Reserve denominated in Bitcoin.

The sale was led by Jump Crypto and Three Arrows Capital (3AC), with participation from DeFiance Capital, Republic Capital, GSR, Tribe Capital, and many others.

The UST Forex Reserve is an initiative to provide a further layer of support using assets that are considered less correlated to the Terra ecosystem, initially with Bitcoin but with plans to expand to other major non-correlated assets within the market moving forward. The Reserve assets can be utilized in instances where protracted market sell-offs deter buyers from restoring the UST peg's parity and deteriorate the Terra protocol's open market arbitrage incentives.

"The UST Forex Reserve further strengthens confidence in the peg of the market's leading decentralized stablecoin UST," says Kanav Kariya, President of Jump Crypto. "It can be used to help protect the peg of the UST stablecoin in stressful conditions. This is similar to how many central banks hold reserves of foreign currencies to back monetary liabilities and protect against dynamic market conditions."

As an algorithmic stablecoin, UST's peg is maintained by a series of open market operations, arbitrage incentives, and countercyclical levers within the Terra protocol to offset market forces pushing the UST peg above or below one USD. LUNA, Terra's reserve, staking, and governance asset, retains an elastic supply to help neutralize directional market pressures impacting the peg. One of the common criticisms of algorithmic stablecoins is their reflexive nature during extreme volatility, where the arbitrage incentives to bring the peg back to parity can potentially deteriorate. The UST Forex Reserve provides an additional avenue to maintain the stability of the peg in contractionary cycles that reduces the reflexivity of the system.

The UST Forex Reserve functions as a release valve for the redemptions of UST → LUNA on the Terra protocol during periods of significant UST demand contraction, offering additional pathways for arbitrage incentives to remain intact exogenous to the Terra protocol.

"With the UST Forex Reserve, the primary counter-argument for the sustainability of algorithmic stablecoins is eliminated," says Nicholas Platias, Founder of Chronos Finance. "The UST peg is supported by a pool of decentralized liquid assets, which operate as a dynamic backstop driven by a transparent mechanism design and arbitrage forces during periods of sharp UST demand contraction."

The \$1 billion from the sale will initially capitalize the UST Forex Reserve, with buyers locking up the purchased LUNA over a 4-year vesting period. More details of the Reserve's function and design will be released in the coming weeks.



About Luna Foundation Guard

The Luna Foundation Guard (“LFG”) is a non-profit organization dedicated to creating and providing greater economic sovereignty, security, and sustainability of open-source software and applications that help build and promote a truly decentralized economy. Through community stewardship, fostering innovation, and supporting the research and development of various aspects enveloping open-source software and applications, the LFG serves as a vital nexus of resources and guidance for an emerging DeFi technology stack.



Contact Information

Nick Rodriguez

Melrose PR

(310) 260-7901

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